

# Department of Energy Announces Funding Process for Critical Minerals and Materials

## WRITTEN BY

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On November 14, the Department of Energy (DOE) publicly [announced](#) its decision to allocate \$355 million in new funding to expand domestic production of [critical minerals](#) and [critical materials](#) essential to U.S. energy, manufacturing, transportation, and national defense.

This latest tranche of DOE funding will be disbursed via non-procurement awards under two Notices of Funding Opportunity (NOFO) issued by DOE's Office of Fossil Energy (OFE). Funding applications are due to DOE OFE by December 15, 2025.

The [first NOFO](#), Mines & Metals Capacity Expansion – Piloting By-Product Critical Minerals and Materials Recovery at Domestic Industrial Facilities (DOE-FOA-0003583), will provide up to \$275 million to construct or improve domestic facilities capable of extracting critical minerals and metals from existing industrial and coal byproducts (such as coal ash, mine waste, or acid mine drainage, among others). The [second NOFO](#), Mine of the Future – Proving Ground Initiative (DE-FOA-0003390), will provide up to \$80 million to support demonstration and proving ground activities for innovative mining and processing approaches that can be replicated nationally. Together, these NOFO opportunities aim to catalyze projects that move beyond pilot concepts to commercial-scale production.

## Federal Government Focus on Critical Mineral Projects

Demand for critical materials and minerals continues to grow, and federal procurement and industrial policy increasingly favors domestic sourcing. In August, DOE [announced](#) its intent to issue a \$50 million NOFO, Critical Minerals and Materials Accelerator (DE-FOA-0003588), focused on research and development of innovative processing technologies at bench scale for one or more critical minerals and materials. This funding has not yet been released. Additionally, the Department of Defense, acting through the Defense Logistics Agency, is actively supporting several planned projects to engender private partnerships for domestic manufacture of [battery end products, components, and materials](#) (\$20 million), and for [strategic and critical materials supply chain](#) development (\$95 million).

Acting on these NOFOs and grant announcements can expedite the timeframe for bringing new capacity online, improve cost positions through federal cost share, and better position domestic producers to timely fulfill customer expectations for a secure domestic supply of critical minerals and materials, while meeting all regulatory requirements. The opportunities are well-suited to entities with existing access to byproduct streams, established

sites, or existing process infrastructure — allowing for more expedient realization of near-term production targets and measurable community benefits.

Overall, this funding should help to create pathways for utilities and industrial operators to monetize legacy waste streams, for mining companies to de-risk technologically advanced processes, and for technology providers to scale up demonstration projects into commercially viable producers. Energy sector participants — including power generators, midstream operators, battery material suppliers, and recycling firms — can leverage the federal funding to mitigate supply chain risk for electric vehicles, grid storage, and advanced manufacturing, while converting environmental liabilities into strategic, and readily monetizable, assets.

## **Next Steps**

Those interested in applying for federal funding should obtain the [NOFOs](#) and anticipate DOE competitive funding rounds: clear technical and commercialization pathways, robust project management, credible offtake or market strategy, and readiness on permitting and environmental compliance.

Of course, the grant application process can be intensive; it may require significant effort by the applicant to timely meet the December 15 deadline for initial submission of applications, as well as future deadlines for submission of additional documentation for the project described in the funding application. The Troutman Pepper Locke team is here to consult and support those interested in pursuing federal support.

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